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Regional Implementation Meeting on water, sanitation and human settlements for Asia and the Pacific

Summary of discussions by the Chairman

I. Water and sanitation

Achievements

1. In Asia, the contribution of water to economic development, food security and human welfare is immense. Nearly 40 per cent of Asia's crop land is irrigated, producing about 70 per cent of its food. Improving access to safe drinking water and basic sanitation has been achieved in many countries by bringing about behavioural changes related to water, sanitation and personal hygiene in order to reduce incidence of water-borne diseases at minimum cost.

2. A number of countries have started to pursue an integrated, holistic approach to water and sanitation problems, with attention at the river basin and ecosystem level, involving different sectors of government and civil society. Such an approach is recognized as being compatible with initiatives for greater decentralization and devolution of responsibility to the most appropriate levels.

3. While recognizing that the primary responsibility for increasing water supply and sanitation coverage rests with government agencies, success in these sectors has been achieved through partnerships between the public and private sectors and non-governmental organizations (NGOs). Successful partnerships have been achieved in several countries of the region in rainwater harvesting; community-managed water points; water concessions; provision of low-cost clean water; NGO-initiated public-private partnerships on sanitation improvement; urban wastewater treatment; ecological sanitation; and pilot sanitation projects.

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4. Innovative and low-cost technologies have been developed for several countries lagging far behind in developing water supplies and sanitation. These include: sanitary latrines; reticulated neighbourhood sewerage systems; night soil biogas projects; house biogas credit guarantee schemes; biowaste to bioresource initiatives; and treatment of brackish water.

5. Innovative mechanisms for financing small-scale water and sanitation projects have been developed with the private sector. An example of one such mechanism is the Small-Scale Sustainable Infrastructure Development Fund, Inc. The mission of the Fund is to finance small-scale projects on water and sanitation and other similar projects to reduce poverty and improve the health and quality of life of poor people in developing countries. This scheme provides opportunity for socially, ethically and environmentally motivated individuals and institutions to support pro-poor investment.

6. Major initiatives have been taken in formulating a regional water policy for Asia. The Asian Development Bank (ADB), has formulated a regional water policy for Asia, with seven key elements, to: (a) promote a national focus on water sector reform; (b) improve and expand the delivery of water services; (c) foster the integrated management of water resources; (d) foster the conservation of water and increase system efficiency; (e) promote regional cooperation and increase mutually beneficial use of shared water resources; (f) facilitate exchange of water sector information and experience; and (g) improve governance.

7. After the third World Water Forum in Japan in 2003, as follow-up to the portfolio of Water Actions announced at its Ministerial Conference, a web site network was established to strengthen efforts on actions related to water in the Asian region.

8. Several countries are in the final stage of developing and adopting a common subregional strategy for managing water resources. In the Pacific, consultations among national Governments, NGOs and other stakeholders, including regional agencies, have led to the formulation of the Pacific Regional Action Plan for Water Management.

Challenges faced in implementation

9. Despite some sporadic achievements, thus far, the region as a whole has not done too well in making significant progress towards achieving the water-related goals set out in the Millennium Declaration and the Johannesburg Plan of Implementation. For example, approximately one third of the rural population of Asia, some 719 million people, are, even today, without sustainable access to improved water supplies. Also, about one fourth of the urban population of these developing countries, comprising 262 million people, are living without access to basic sanitation.

10. Recent economic development and population growth has increased the stress on the water resources in Asia, and in South Asia in particular. At the same time, the quality of the water in the region is also deteriorating because of the increase in wastewater discharges from domestic, industrial and agricultural runoff. To make the situation worse, water losses in irrigated systems (which use over 70 per cent of the total water consumed) are generally high (30-40 per cent), with urban water losses estimated to be between 20 to 50 per cent. Agriculture is recognized as one of

the biggest users of water throughout the region; the linkages between rural and urban water supply and use require more systematic analysis. The challenge, therefore, is to reduce the amount of water used by increasing water efficiency, productivity, demand-side management and full-cost pricing with a well-targeted subsidy policy.

11. Strategies to improve the management of water resources and the consumptive use of water basin and aquifer systems for the benefit of all sectors, including local communities, developers and the environment, are generally lacking. Also lacking are strategies to utilize appropriate methods and technologies for water supply and sanitation systems and approaches for rural and peri-urban communities. Some countries see economic instruments as one possible means to balance water needs and supply between rural and urban areas.

12. New water supply networks and supply systems are badly in need of repair in order to ensure more rational use of water resources, but financing is difficult to secure. There is a lack of cost-recovery mechanisms to support the chain of water supply. More economic instruments could be used to address this issue and to promote more participation of businesses and private donors.

13. In many countries, local level institutions concerned with water management, including institutions for policy and planning as well as river basin organizations, often lack sufficient capacity, human resources and technology, and need to be strengthened. In particular, many countries lack sufficient capacity to conduct water resources assessment and monitoring as a key component of sustainable water resources management. Some monitoring stations exist but require modernization, upgrading and extension.

14. Strengthening coordination within the institutional framework is another major challenge in meeting the Millennium Development Goals in water and sanitation. Water is a diversified sector, on both the supply and demand sides. In addition to the need for strengthening domestic coordination, regional cooperation and partnerships among water ministries and the few functioning institutions of the countries sharing water resources, there needs to be a significant improvement in water resources management and better cooperation with existing regional agencies and aid agencies in the development of water sector-related programmes and technologies and capacity-building.

15. Resource mobilization for financing water and sanitation policies and programmes in Asia is one of the greatest challenges in the coming decade. Currently, the estimates of investments in water supply and sanitation in Asia from both domestic and external sources are not available. What is known, however, is that official development assistance (ODA) to countries of the region has declined, and that there is a huge gap between the estimates of the financing needed in achieving the water and sanitation targets and the available financing on water and sanitation from the multilateral financing institutions, the United Nations system, bilateral funding agencies, private sector and the governments. There is also the issue of how to make funds available to small and medium scale projects through intermediary financing organizations since transaction costs of such projects, if directly financed by the World Bank and/or the Asian Development Bank, would be high. As regards private sector financing, the problem is that such projects, especially in poor countries, are not generally attractive, and yet these are the countries where assistance is most needed. Nevertheless, while international capital

market is unlikely to bridge the financing gap for water and sanitation in Asia, the potential contribution of the domestic private sector could be significant.

16. A global snapshot of water and sanitation coverage in various regions reveals that Asia has the lowest sanitation coverage in the world, and that as many as 70 per cent of the rural population and over 25 per cent of the urban population are without access to basic sanitation. This is a challenge that must be met during the next decade. Innovative, appropriate and cost-effective technologies must be developed and transferred to the countries in the region, especially to those lagging behind.

17. The major challenges for most of the small island developing States and developed countries in the Pacific subregion are the sustained provision of adequate supplies of non-polluted freshwater and wastewater disposal. This requires improved resources management, efficient service providers and better local and national water governance. The consequences of not having access to safe water include an increase in waterborne diseases and general hardship, especially for women and children.

18. For the small island developing States of the Pacific, challenges and constraints of sustainable water resources management can be categorized into the following three broad thematic areas:

(a) **Fragile water resources**: due to their small size, lack of natural storage and competing land use, vulnerability to natural and anthropogenic hazards, including drought, cyclones and urban pollution, detailed water resources monitoring and management and improved collaboration with meteorological forecasting services is needed;

(b) **Sustaining water and wastewater provision**: due to the lack of resources, including human and financial resources, which restrict the availability of experienced staff and investment, and effectiveness of cost-recovery, action is required in human resources development, water demand management and improved cost-recovery;

(c) **Highly complex water governance**: due to the specific socio-political and cultural structures relating to traditional community, tribal and inter-island practices, rights and interests, which are all interwoven with colonial and "modern" practices and instruments, programmes on awareness, advocacy and education, as well as strong political will at the community, institution and government levels, to create a framework for integrated water resources management are required.

Lessons learned

19. Frequently, laws and legal frameworks do not reflect current water use issues in many countries and require revision, including legislative action, in order to ensure better water management and its integrated use at various levels.

20. Water pricing, cost recovery and other economic instruments are either being used or under consideration by several countries in the region to induce more rational allocation and use of water. The experience of these countries, including lessons learned, could be usefully shared with other countries in the region.

21. Water and sanitation issues share a multi-sectoral institutional framework at national levels. The ministries and agencies dealing with the sector include: water resources, health, agriculture, industry, fisheries, shipping and inland water transport

and energy. In developing a national policy and strategy on water and sanitation, coordination among several ministries and agencies needs to be strengthened.

22. Women, indigenous peoples, the private sector, NGOs and other major groups are playing an increasingly active role in the implementation of processes related to integrated water resources management and sanitation at the national and local levels, providing a solid basis for further water resources developments. Community-level participation and the devolution of management are recognized as playing a critical role in the water and sanitation sector. Following the World Summit on Sustainable Development, there is increased momentum for the formation of public-private-NGO partnerships, which are seen as having good potential for success. Partnership projects in the water and sanitation sectors have promoted participation and a sense of ownership among stakeholders and can play a role in the creation of water and sanitation infrastructures, with the joint efforts of stakeholders bringing together different types of ideas, skills and funding sources. The creation of water-user associations has proven to be one means of improving public awareness.

23. More information and data are required to ensure informed policy development in the integrated management of water resources and waste water management. Moreover, information and data on the impact of water-related disasters on the gross domestic product (GDP) and the inclusion of disaster management and preparedness elements in national plans and strategies would be helpful to many countries in the preparation of integrated water resources management plans.

24. A critical area requiring ongoing attention is the priority that Governments of the Pacific subregion, in particular the island countries, give to the provision and management of water resources. Implementing the regional action plan is considered important in this regard. The World Summit on Sustainable Development process and the 10-year review of the Global Conference of the Sustainable Development of Small Island Developing States, have been important in helping to focus greater political attention on water resource and management issues.

II. Human settlements

Achievements

25. A variety of measures have been taken in the Asia and Pacific region to tackle the issue of slum dwellings, including upgrading, development of enabling strategies for self-improvement, such as low interest loans, improvement of existing towns, promotion of new and satellite towns, relocations, rural urban migration, public land use management, private partnerships for provision of basic services, low-cost housing developments, legalizing tenure and the provision of low-cost or free land. Some of these are curative measures while others are preventive.

26. In recent years, integrated policies dealing with slums have become part of a more comprehensive urban development intervention model, addressing issues related to both government and market failure. For this reason, a number of countries in the region have developed greater integration in their development and environmental policy-making and are able to consider the issues of slums along with the wider issues of land use, land management, infrastructure investment, financing mechanism and governance.

Challenges

27. In the Asia and Pacific region, over 1 billion people, or 32.8 per cent of the total population, live in urban areas. According to the 2003 statistics on the slum population of the region, the proportion of slum and squatter settlements dwellers is over 50 per cent of the global total. According to the United Nations Centre on Human Settlements (UN-Habitat), some 498 million people living in urban Asia (with 45 per cent of Asia's total urban population) are slum dwellers. It is not only the percentage and absolute number of slum dwellers in Asia that concerns city planners; it is also the security and risk factors involved. Slum dwellers rarely have any security of tenure, as a result of which their quality of living is not improved even if they can afford it.

28. Other problems encountered by Asian slum dwellers include their inability to increase their assets under abject poverty, crime and hardships such as collecting water, removing solid wastes, bringing children to school on foot, which take up much of their time and makes assets generation difficult, if not impossible. Unless they are able to get out of the poverty trap, it will be difficult for these 498 million slum dwellers to make significant improvement in their living conditions.

29. The rapid urban growth in the region has overwhelmed the capacity of local and national governments to carry out urban management in the region. Increasing levels of national per capita income have not decreased the number of slum dwellers. In many instances, slums have increased and services for the urban poor have decreased, despite rising income levels. The rapid urbanization phenomenon calls for promoting decentralization and a higher level of municipal management. The challenge for the region is to train municipal managers in advanced information and communication technology, geographic information systems, urban finance, water and energy systems, waste management, environmental economics, alternative transportation systems and skills in conflict resolution.

30. There are three critical issues that need to be tackled in confronting the urban shelter problem, particularly in controlling the future development of slums and the issue of squatters. These are: first, the availability of low-cost urban land, which could be utilized for housing the poor; second, the provision of access to affordable financing to help the poor to improve their housing; and third, the organization and participation of the community in planning and implementing low-income housing.

31. The human settlements development approach has not fully taken into account the close rural-urban relationships and the conditions of life in rural communities. Improving the conditions in urban slums may only aggravate the rate of inflow of migrants from the rural areas unless active steps are taken at the same time to address employment, social conditions, land tenure and living standards in the rural areas. Oftentimes, Governments have not considered the balance of resource allocations between rural and urban areas as part of a balanced and integrated approach to human settlements development and improvement.

32. The growing problem of urban slums in the mega-cities will continue unless Governments develop strategies and identify policies that can help build satellite cities and new towns to attract settlements outside the central cities.

33. For the Pacific subregion, its pattern of human settlements is also rapidly changing with increasing numbers of people moving to towns and cities. Of

increasing concern in the subregion is the fact that populations of major urban areas in most countries are growing faster than national populations. The problems created by such rapid urbanization include, inter alia, lack of basic services such as water supply, sanitation, waste disposal, housing, schools, health and recreation facilities. In these circumstances, the situation for many poor residents is worsening as informal and squatter settlements swell with increased numbers of migrants seeking a living in the towns.

34. In the Pacific subregion, countries do not have specific or integrating legislation that provides for national oversight or direction on matters of urban infrastructure, housing, policy and/or poverty. National policies on these matters is indicative only.

35. Government institutions, at both the national and local levels, and traditional leadership structures have been unable to efficiently manage the transition of the population base from village to city.

Lessons learned

36. There is a need for a strong leadership at the national and local government levels and a positive approach to urbanization in national development planning. Governments will need to consider urbanization as a crucial part of national economic development and sustainable development in general, and will need to adopt a positive and proactive approach to urban growth. At the same time, urban governance needs to be strengthened through effective urban planning to coordinate and integrate development proposals. In this regard, setting priorities, developing plans, mobilizing funding, facilitating credit and enlisting public support has proven essential for success. Physical planning needs to be integrated or at least coordinated with economic and social development planning. It has been suggested that this could best be done through the development of national sustainable development strategies integrating the three pillars, economic, social and environmental including physical planning.

37. Actively involving rural and urban communities, including indigenous people, in solving their own problems and promoting partnership arrangements has proven to be critical in effectively addressing human settlement needs. Strong community-based organizations have proven valuable in channelling community efforts.

38. The building of partnerships has increasingly been considered an effective means for consolidating efforts and mobilizing scarce resources to address critical issues related to human settlements in general, and slums in particular. The modalities for partnerships have varied depending largely on the willingness of stakeholders to engage in such endeavours. However, regardless of the modalities, partnership initiatives are now acknowledged to provide better and more effective delivery of services in the absence of limited governmental resources. Many Governments in the Asia and Pacific region have moved away from the role of housing developers towards that of facilitators, for example by adopting enabling policies and shifting the emphasis of housing provision from the public to private sector. Several models exist in the region, which have been successful in addressing slum issues, particularly in the provision of basic services.

39. The benefits of partnerships between local governments and community-based organizations was also found useful, especially those which encouraged best

practices in urban management as well as those for job creation, solid waste management and awareness raising. NGOs have provided technical advice and have helped to coordinate numerous small-scale projects in low-income communities and have also proven effective in awareness raising, especially in initiatives for slum improvement.

40. There is insufficient information flow on current progress being made in the region and there are limited opportunities to learn from decade-long valuable experiences in the planning, development and management of urban settlements in the Asia and the Pacific region as a whole. There is thus a need for regional and subregional cooperation to improve the response to urban growth, in particular regarding infrastructure, housing, land supply and urban management. This cooperation could focus on the adoption of sound urban governance practices best suited to the socio-economic and cultural systems common in each particular subregion.